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Costa Rica: Regional and Domestic Threats to Democracy

An Intelligence Assessment

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An Intelligence Assessment

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The author of this assessment is [] Latin
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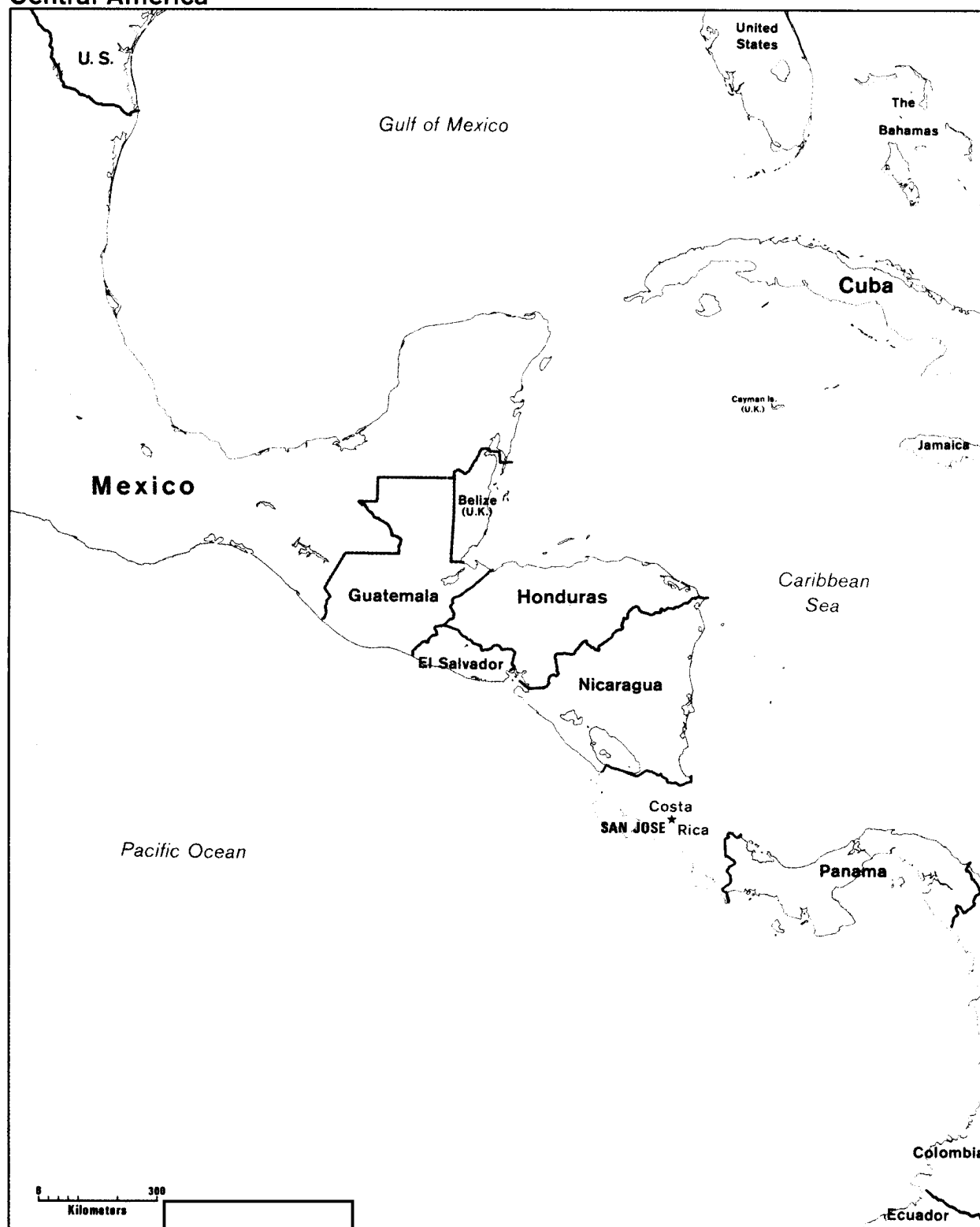
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Central America



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**Costa Rica: Regional and
Domestic Threats to Democracy**

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Key Judgments

Costa Rica's democratic system of government is facing its most serious foreign and domestic strains since the late 1940s.

External factors that are unsettling to Costa Ricans and undermining confidence in their own leadership include the Nicaraguan threat, arms trafficking and other illicit support for Salvadoran guerrillas, the danger that regional warfare will spill over into Costa Rica, and the growing uncertainty in relations with Cuba.

On the domestic scene, the country will experience its worst economic crisis in decades as a result of rising costs of oil imports, depressed prices for coffee exports, and habitual government overspending and mismanagement. The Carazo administration belatedly has introduced austerity measures and sought renewal of assistance from the International Monetary Fund (IMF).

President Carazo is widely blamed for almost all of these problems, so much so that even with one and a half years remaining on his term, his public image is probably irretrievable. His likely successor, Luis Alberto Monge, has apparent shortcomings that may diminish his ability to restore public confidence.

Despite these problems, Costa Rica's constitutional process stands a good chance of surviving the difficult two or three years ahead. Political stability over this period is more a question of confidence in the political leadership than one of institutional vitality. Potentially serious socioeconomic trends are likely to have an impact only over the longer term.

The problems facing Costa Rica will make it increasingly unlikely that it will actively collaborate with the United States on new initiatives in Central America. Carazo will remain reluctant to challenge Cuba, Nicaragua, and other supporters of regional guerrilla groups; meanwhile, domestic economic and political problems will divert attention and preempt resources from regional policies. Costa Rica will prefer to retain its traditional role of a passive, democratic showcase for Central America, hoping that US assistance and influence in international financial circles will help pave the way to economic recovery.

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Costa Rica: Regional and Domestic Threats to Democracy

Costa Rica's stable, democratic political system has long been unique in a region characterized by authoritarian military governments. This system is facing the most serious external threats of this century and the greatest domestic economic and political challenges since the late 1940s. The internal issues, though difficult to separate from outside concerns, represent the greater danger over the next two to three years. The established strength of national democratic traditions and institutions remains the best hope for weathering this critical period—notwithstanding popular dissatisfaction with the way those institutions are now functioning.

External Factors

Nicaragua. Turmoil in Central America has contributed to strains in Costa Rica in various interrelated ways. The most serious threats stem from Nicaragua's steady shift toward authoritarian Marxist rule, and from arms trafficking and other illicit activity in Costa Rica on behalf of guerrillas throughout the region.

It was not immediately clear in 1979 that most Costa Ricans would in time come to view the Nicaraguan revolution negatively. Although basically conservative and anti-Communist, the majority bitterly opposed Somoza and supported in principle the Sandinista effort to overthrow him. Thus, even participation by Costa Rican officials in arms shipments to the Sandinistas and government acquiescence in Sandinista use of Costa Rican territory for training and as sanctuary were publicly acceptable.

In the year and a half since Somoza's defeat, however, Nicaragua's increasingly authoritarian and Marxist tendencies, its growing ties to Cuba, and its assistance to revolutionaries elsewhere in the region have stirred Costa Rican fears of potential Nicaraguan aggression and revolutionary spillover. Lack of military forces to patrol the long border with Nicaragua compounds



Unclassified photo from Liaison

President Rodrigo Carazo

Costa Rica's sense of intimidation and vulnerability.¹ Border shooting incidents last year and occasional Sandinista activity inside Costa Rican territory have heightened tensions and revived concerns about possible Nicaraguan irredentist claims against Costa Rica's northwestern Guanacaste Province. A steady decline in bilateral relations hit bottom last fall when Nicaragua aided the successful Cuban effort to block Costa Rica's election to a seat on the UN Security Council.

Costa Rican nervousness is reflected in public opinion polls, which showed last year that a growing majority of Costa Ricans believe that:

- Communists will gain complete control of the governments of Nicaragua and El Salvador.

¹ Costa Rica's constitution prohibits a standing army. National Security functions are performed by the Civil Guard (about 4,000 men), the Rural Guard (about 4,000 men), and other smaller constabulary forces. Because of inadequate training, poor equipment, and frequent turnover among officers as the reins of government change hands, none of these forces are capable of effective military action in the field. Consequently, Costa Rica relies on members of the Organization of American States, collectively or individually, for national defense.

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*Panamanian-registered plane
carrying arms from Costa Rica,
June 1980*



- Cuba has an important hand in this process and in similar ones throughout Central America.
- Costa Rica will be substantially affected. [REDACTED]

Many Costa Ricans now place the blame for their precarious position on the Carazo administration's earlier support for the Sandinista insurgency. Revelations that the Costa Rican-abetted arms trafficking network set up for the Sandinistas continues to operate in support of other guerrillas in the region have fueled public animosity toward the Carazo government.

The political pressure on President Carazo to deal firmly with Nicaragua, therefore, is considerable, but his options are extremely limited. He has ordered an expansion and upgrading of the National Reserve, but even a major effort on this score will not significantly improve Costa Rica's weak security position. Carazo has considered tightening border controls, delaying Costa Rican-supported technical projects in Nicaragua, and taking other administrative steps to show Managua his displeasure. Carazo recognizes, however, that any provocative action risks retaliation from the Sandinistas that Costa Rica could not withstand [REDACTED]

Costa Rica needs good relations with Nicaragua not only to ensure its political security but also for economic reasons. The reconstruction effort in Nicaragua over the past two years has been a boon to Costa Rica's exports, more than offsetting its trade deficits with other countries in Central America. Cross-border commercial ties also are extensive. Nicaragua needs Costa Rica's trade and aid as well as a secure southern border, but Carazo clearly cannot depend on these to constrain the sometimes paranoid Sandinista leadership. [REDACTED]

Support for Revolutionaries. Costa Rica's continuing major role in unofficial activities that support Central American insurgency places strains on the political structure similar to those posed by the volatile relationship with Nicaragua. These strains are manifested in declining public respect for the national administration and potentially for the political system as well, in a tarnished international reputation, and in a greater risk that Central American extremists of both left and right will expand their conflict into Costa Rica. [REDACTED]

Most of the support activities involve arms trafficking to Salvadoran guerrillas. Costa Rica not only remains a transit point for arms from Cuba and other suppliers, but also has its own large black market for weapons.

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The June 1980 crash in El Salvador of a Panama-registered light plane bearing arms from Costa Rica—and similar incidents the following November and January—confirmed [redacted] arms trafficking is continuing. [redacted]

- Probably diverted munitions from official Costa Rican stores to the Sandinistas. [redacted]

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Echeverria's motive is primarily profit, but regional leftists and Cubans also have had some success in cultivating him ideologically. Private citizens and other high-ranking officials, such as the deputy director of the Office of National Security and officers of the Civil Guard, have been involved as well, presumably also for personal gain. [redacted]

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The Legislative Assembly's investigation of arms trafficking during the Nicaraguan revolution probably has run its course, and the scandal might ordinarily have blown over.² But new revelations about activities during that period, as well as the continuing trafficking to Salvadoran guerrillas, have kept the issue alive and have continued to undermine public confidence in the national leadership. [redacted]

Despite half-hearted interdiction efforts by the Carazo government, this kind of activity will be drawn to Costa Rica so long as revolutionary turmoil endures anywhere in the region. The tolerant political atmosphere attracts exiles and extremists of all stripes from throughout Latin America. Costa Rican security forces are small, ineffective, open to corruption, and divided among several ministries. The borders are long and porous, and many areas such as Guanacaste Province are sparsely populated. Costa Rica has hundreds of small, remote airstrips and heavy private air traffic that cannot be monitored. Only if the government of Nicaragua decided no longer to try to conceal its support of Central American revolutionaries might the level of activity in Costa Rica significantly decline.

Perhaps the most important factor contributing to the continuation of arms trafficking is the extensive involvement of many Costa Rican officials and private citizens. Former Minister of Public Security Juan Jose "Johnny" Echeverria was and probably remains a central figure. He has admitted publicly to congressional investigators that he facilitated transportation of arms from Panama and Venezuela to the Sandinistas during the Nicaraguan revolution. It is also clear that Echeverria, despite his denials:

- Permitted arms to arrive in Costa Rica directly from Cuba.
- Siphoned off some of the materiel intended for Sandinistas for sale later to various guerrilla groups.

Spillover of Violence. In addition to its effects on public confidence in the government, regional warfare can pose a direct threat by spilling over into Costa Rica. Recent incidents have alarmed Costa Ricans about this possibility. [redacted]

² Scandals in Costa Rica usually are short lived. Polls indicate, for example, that former President Oduber, who left office three years ago under a cloud of corruption charges, is now the most popular politician in Costa Rica. [redacted]

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A notorious Costa Rican radio station that supports leftist revolutionary movements throughout Latin America was attacked by a light plane in November 1980 and again by right-wing terrorists in December. In the latter incident, the attackers were driven off—

[redacted]—and later were captured.

Although the right-wing squad may have included Guatemalans, a Costa Rican, and a Salvadoran, most were Nicaraguans. [redacted]

This incident compounds public fears that the activities of former Nicaraguan National Guardsmen in Costa Rica may provoke Sandinista reprisals. Although the Guardsmen appear to be few in number and disorganized, the appearance in San Jose recently of handbills from the Movement for the Liberation of Nicaragua could persuade Costa Ricans—and the Sandinistas as well—that the Guardsmen are organized and potent. [redacted]

In the same vein, many persons associated with the Salvadoran left are active in Costa Rica. As the struggle in El Salvador escalates and foreign involvement increases, the chances that Salvadoran or other regional rightists will target their opponents in Costa Rica will rise as well. This would aggravate friction among various other exile groups, resident foreigners, and transient extremists. It would also complicate Carazo's efforts to back the Salvadoran Government; these efforts are already constrained by his fear of antagonizing the Nicaraguans. [redacted]

Cuba. Regional headaches have been doubly galling for Carazo, because he had anticipated that foreign policy achievements would compensate for economic and political setbacks at home last year. In particular, he had counted on Costa Rica winning a seat last fall on the UN Security Council. Cuba blocked that effort, however, after its own candidacy became untenable. Carazo's domestic standing suffered even more, as some sectors of the Costa Rican media called the affair the "tragic result for our democracy of a stupid international adventure" and opined that "such a post is not worth all this humiliation." Although at times Costa Rica has been very active internationally, this experience could rekindle the national withdrawal, aloofness,

and introspection that have characterized most of the country's history. [redacted]

Cuba's determination to block Costa Rica's election to the Security Council was motivated in part by Havana's conviction that San Jose was "Washington's candidate." Carazo also had angered Castro by helping the United States during the Cuban refugee affair—Costa Rica sponsored hemispheric conferences on the issue and offered to evacuate 10,000 Cubans who had sought asylum at Peru's Embassy in Havana. [redacted]

Costa Ricans hold Cuba partly to blame for most of their other regional problems as well because of Havana's role in stirring revolutionary fires in Central America. Nevertheless, Carazo's behavior toward Cuba on issues closer to home than the United Nations and the refugee affair is puzzling. Although he is worried about Cuban encroachment in Central America, he continues to acquiesce in Cuban activities in Costa Rica that support foreign revolutionaries. [redacted]

Several possible reasons can be posited for Carazo's behavior, none completely satisfying and all speculative at present. He certainly recognizes that Cuba could cause him problems at home. For example, Havana might capitalize on Communist influence among banana workers to provoke a repetition of last year's violent strike, which posed a serious challenge for the government. Such a strike could be the final straw persuading foreign fruit companies to close down operations. On the other hand, Carazo may believe that permitting activities in support of regional insurgents will increase Costa Rica's value to Havana and thereby gain for San Jose some immunity from Cuban-inspired subversion. Finally, Carazo could conceivably be a victim of blackmail or bribery. [redacted]

Domestic Factors

Economy. Although the causes of Costa Rica's malaise and sense of impending crisis are multiple and inter-related, domestic factors probably are the most likely

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to place the political structure in jeopardy. Economic questions are preeminent, with Costa Rica facing its worst financial crisis in several decades. Although since 1950 the trade balance has been unfavorable and the population has tripled, the tradition of equitable income distribution and government efforts to diversify the economy helped generate the highest per capita income and gross domestic product in the region and facilitated construction of a relatively advanced welfare state. [REDACTED]

In recent years, the country has been living well beyond its means, spending about 12 percent more annually than it has earned and financing the difference by borrowing. In 1981 the oil bill will jump to around \$260 million; it was \$71 million in 1975. Nonoil imports have continued to grow in recent years, since Costa Rica's industrial sector is highly dependent on imports and the government has been unwilling to tighten its belt. Financing these deficits pushed Costa Rica's foreign debt to an estimated \$2.2 billion by the end of 1980, compared with \$511 million in 1975. The international financial community is no longer willing to support such consumerism, particularly since Costa Rica failed to meet IMF targets set last March. Regional turmoil compounds the nervousness of international lenders. [REDACTED]

Continued deficit spending in the public sector, despite rising oil costs and depressed coffee prices, has stemmed partly from the government's reluctance to risk opposition by imposing the necessary austerity—a reluctance reinforced by political upheaval in nearby countries. By November 1980, however, Carazo finally had acknowledged the severity of the problem and the necessity of an agreement with the IMF. [REDACTED]

The problem is indeed severe:

- Balance-of-payments problems (68 percent of estimated export earnings in 1981 will go for debt service and oil imports) will require import reductions of as much as 25 percent this year.
- These import shortages will contribute to contraction of the economy this year, compared with the 1-percent real increase last year.

- Such contraction will increase unemployment, already around 13 percent, and raise inflation from last year's 20 to 25 percent to at least 30 to 40 percent. [REDACTED]

The public, the media, the political opposition, and even many erstwhile supporters of the administration blame Carazo for the growing crisis. He indeed paid too little attention to the burgeoning problems for too long—but so did his predecessors. He countenanced government overspending and sought to maintain social programs rather than press for unpopular austerity. As a result, economic difficulties have been compounded and public antagonism is directed at him personally. [REDACTED]

Beginning in September 1980, Carazo finally began to promote austerity measures. To date, these have included:

- Controls on foreign exchange and a currency float.
- Movement toward an IMF program and external debt renegotiation/rollover.
- Elimination of certain government capital projects.
- A public sector hiring freeze.
- Increases in the price of oil products and other measures to reduce consumption.
- Reduction of government subsidies to political party campaigns.

After a long and politically costly battle in the Legislative Assembly, Carazo agreed in November to reduce the planned deficit in the budget by about \$138 million, or 9 percent. [REDACTED]

A new agreement with the IMF probably is essential. A one-year standby agreement would help, but a three-year program would have a better chance of correcting some of the country's fundamental economic problems. The IMF was encouraged by Carazo's announcement of austerity measures, but in view of Costa Rica's earlier failure to meet the Fund's targets and continuing IMF concerns over the fiscal plan and controls on autonomous agencies, negotiations are not assured of success. [REDACTED]

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Even with assistance from the IMF and the increased commercial lending such aid would generate, declining imports and growth rates coupled with rising inflation and unemployment will produce political and social pressures on a scale that Costa Rica has not experienced for decades. As a result, consumers will find even more to complain about. Organized labor, particularly the banana workers, will challenge the austerity program by striking. A general strike, rare in Costa Rica, is possible. Persons seeking entry into the tightening job market, particularly university graduates, will add to the uproar. Public sector employees—habitually among the most effective pressure groups in the country—will vigorously defend their interests. Industrialists will resist import restrictions. The middle class, which is the backbone of Costa Rica's democracy, will not sacrifice its standard of living quietly [redacted]

Politics. The political impact of these developments depends in part on the ability of the political structure and the people to absorb the shocks and to adjust. In the past, Costa Ricans have taken great pride in their democratic traditions, which set them apart from other Central Americans. Their geographical isolation through the 19th century supposedly nourished such traits as self-reliance, individualism, and conservatism. It also helped produce a uniquely homogeneous population with little class or race antagonism, good social mobility, and a strong middle class. [redacted]

At the same time, strong patron-client traditions led Costa Ricans to defer to their elected representatives, but to reserve the right to speak out and to complain. Criticism of the government became a national pastime, and the popularity of political leaders was often fleeting, falling victim to corruption scandals and the like [redacted]

The collapse of confidence in President Carazo is thus unusual only in its scope, timing, and political effects. Carazo's image with the public and the media is probably irretrievable. His relations with the Legislative Assembly (which in the Costa Rican system has much more power than is customary in Latin America) are very poor; even most of the members from his own coalition are at odds with him. Both the opposition's instinct to take advantage of Carazo's growing weak-



Unclassified Franz Furst ©

*Presidential contender
Luis Alberto Monge*

ness and his own antagonistic posture have made the natural gap between the President and his political opponents almost unbridgeable. [redacted]

Carazo's premature lame duck status has focused attention much earlier than normal on the February 1982 presidential election. The leading opposition party, the Party of National Liberation (PLN), selected Luis Alberto Monge as its candidate in April 1980. Other parties and candidates are jockeying for position as well, but Monge is the solid leader in opinion polls. The PLN has the strongest party organization in the country and is likely to win handily in 1982. [redacted]

Monge is not charismatic, however, nor has his leadership been tested. He lost to Carazo in the last presidential election, and his rise in popularity since then can be almost exclusively attributed to his success in gaining control of party machinery and to the present administration's loss of standing. His ability to restore public confidence in the national leadership remains an open question. [redacted]

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If the PLN does win, it will not only face the challenge of overcoming its usual factionalism, but also of changing from a party based on the personalities of its aging founders and the anachronistic social democratic tenets of its early years into one that can deal with contemporary issues and public confidence. Unfortunately, Monge is most closely associated with the party's "old guard." [REDACTED]

Threats to Stability

Costa Ricans are concerned that their long record of political stability and democratic rule is in jeopardy, perhaps more from internal decay than from external threats. Coup rumors, which are not rare in Costa Rica despite its peaceful history, began to circulate so widely last fall that Carazo felt obliged publicly to dismiss them. [REDACTED]

In November former President Jose "Pepe" Figueres acknowledged publicly that he was promoting a plan whereby a provisional junta composed of Carazo, the leading 1982 presidential candidates, and former Presidents would replace the existing government. Figueres employed a similar pattern when he came to power following a coup in 1948 and has recommended it periodically as a way to reorient and reinvigorate the country. The junta would oversee structural reform of the governmental system and eventually would hand over control to constitutionally elected successors. The irrepressible Figueres has been guilty of "coup plotting" several times over the years, but in this case he may have been trying simply to awaken Costa Ricans to the serious implications of the Carazo government's disrepute. [REDACTED]

Although most political leaders agree that Carazo is politically bankrupt, none rallied to Figueres's proposal. Even Carazo's most severe critics believe that for the good of the country and constitutional order, the President must finish his term. [REDACTED]

The possibility of a coup against Carazo thus appears remote, even though economic conditions this year will worsen, labor unrest increase, and the President's unpopularity deepen. [REDACTED]

Similarly, domestic subversion is not likely to have a serious effect on Costa Rican political stability over the next two or three years. Few local militants are inclined toward violence at home, and their capabilities would be very limited. Moreover, international supporters of Central American revolutionaries would be more likely to discourage insurgency in Costa Rica rather than imperil their international credibility and risk losing this important guerrilla support base. [REDACTED]

Until 1980 Costa Rica probably had the strongest Communist labor union in Central America; Communists were also making gains in university circles. Regional turmoil has produced a national surge of anti-Communism, however, and the PLN under Monge has moved toward openly challenging the Moscow-line People's Vanguard Party (PVP). [REDACTED]

The PVP recently suffered a setback at the National University and failed in its initial effort to organize a united workers federation. It could not attract support from democratic unions and ran afoul of strains within the Communist labor movement. A militant Communist group is resisting PVP domination of Communist labor as well as the leftist political coalition. The militants also are impatient with the PVP's relatively moderate support for Salvadoran and other guerrillas and with its more reserved domestic posture. Despite these strains and setbacks, the Communists remain determined and potent. They pose a potential danger, however, only over the longer term. [REDACTED]

Aside from the present crisis of confidence, most of the potential threats to Costa Rica's stability indeed are long-range socioeconomic trends. The country will be faced with the need to develop new energy sources, increase exports and reduce imports, slow the growth of the public sector, and curtail external borrowing. In the social sphere, a recent authoritative US study found that the increasing concentration of land ownership due to livestock expansion, mechanized agriculture, and speculation is depriving peasants of their farms, reducing work opportunities, and contributing to the spread of rural poverty. This in turn is increasing disaffection among the rural poor with the historically congenial patron-client relationships, producing a volatility that could threaten the system. [REDACTED]

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Crisis of Confidence

Costa Rica often is regarded as a small, insecure country, not usually capable of keeping its crises and scandals in perspective. Its present straits are genuine, but the political system stands a good chance of surviving. National institutions, particularly the presidency, have been strained and will continue to be tested. The Costa Rican people, however, will be tested even more. In this sense, political stability over this period is a matter more of public confidence than of institutional vitality. Central issues such as the economy, arms trafficking, and the Nicaraguan threat are at least partly beyond Costa Rica's control and are likely to persist. Public confidence, therefore, will continue to be battered for some time. [REDACTED]

During this period, political affairs will remain the overriding feature of the Costa Rican way of life, and the institution of the presidency will remain the chief focal point. The office does not wield, in relative terms, the power of other Latin American executive branches, because of the legislature's independent authority, elaborate checks and balances, and reasonably strict party discipline. Nevertheless, the presidency has major powers and carries even greater symbolic weight. When the people in this representative democracy lose confidence in that office, the system itself will be in jeopardy. [REDACTED]

To date, the crisis of confidence in Carazo's government seems focused more on his personal leadership than on the institution of the presidency. The damage is not necessarily permanent, but Carazo's successor must reverse the trend. [REDACTED]

Implications for US Policy in Central America

Faced with such difficulties, Costa Ricans naturally look to the United States. In the historically close relationship, Washington is seen as an economic and political benefactor, a booster, a role model, and a major actor in Central America's affairs. [REDACTED]

Costa Rica also has special status with the United States. Its democratic political system sets a positive example for the other regimes of Central America. Because it is the only country in the region that maintains communications with every other country, it has served effectively as a bridge and a meeting ground for governments with various differences. This accounts

for Washington's foremost policy objective in Costa Rica: continued US/Costa Rican cooperation in dealing with the Central American crisis, in an effort to increase regional political stability and preclude the emergence of Soviet satellites in Central America. [REDACTED]

President Carazo has been helpful in this regard. From the days immediately preceding Somoza's defeat to the present, he has collaborated with US efforts to moderate Nicaragua's Sandinista-controlled government. He has helped enlist Venezuela and Panama in this effort. Parallel with Washington's policy, he has supported the beleaguered junta in El Salvador, most recently promoting a regional political consensus in favor of a negotiated solution there. His foreign minister will visit West Germany soon to argue against support by some German organizations for the Salvadoran left. Carazo also took on Castro at the United Nations and challenged him over the Cuban refugee exodus. [REDACTED]

Carazo's hopes of becoming the key regional leader have been dispelled, however, by bad experiences in almost every case cited above. With the region becoming increasingly polarized, Costa Rica will grow ever less effective as a bridge among countries and a voice of moderation. As a result, active collaboration with the United States on new initiatives in Central America and toward Cuba are increasingly unlikely. Efforts to promote pluralism in Nicaragua having failed so far, Costa Rica has few levers of influence left, and would hesitate to use them in any event for fear of Sandinista retaliation. Carazo has scant economic resources with which to aid democratic forces in Nicaragua—indeed, given the trade balance, the economic leverage works the other way. [REDACTED]

Costa Rica will be reserved in other areas as well. The shortage of economic as well as human and technical resources—and the fear of antagonizing Nicaragua—preclude concrete aid to the Salvadoran Government. Carazo has supported the junta politically, but the recent guerrilla offensive shook his confidence in the wisdom of such policy. Costa Rica does not have extensive contacts or much influence with Guatemala or Honduras. [REDACTED]

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If the squabbles with Cuba and other regional problems impel Costa Ricans to turn inward once again, US interests throughout Central America could be set back. On the other hand, even if Costa Rica does not withdraw from regional activity, it may be able to contribute little more to US policy in the region than its prestige at international and regional forums. Even in this regard, Carazo increasingly will prefer to act in multilateral concert to avoid excessively close identification with US initiatives. Costa Ricans undoubtedly recognize that they failed to win the UN seat partly because Cuba was able to convince many nonaligned countries that Costa Rica was "the US candidate."

[REDACTED]

Most Costa Ricans instinctively shy away from major involvement in regional problems. They would prefer instead to serve as a democratic showcase for Central America, with US assistance and influence in international financial circles helping foster their economic and political refurbishment. Presidential candidate Monge argues that Washington's Central American policy must "interest itself more in the consolidation and effective functioning of a democracy like that of Costa Rica than in dedicating all of its energies in the negative, and almost always frustrating, battle against Communism."

[REDACTED]

The Carazo government probably does not expect the new administration in Washington to alter the bilateral relationship much, but will carefully gauge the consistency of US policy toward other governments in the region as it periodically reconsiders associating itself with US initiatives on Central America. To the extent that Costa Rica is unsure of this policy—as it has been occasionally in the past two years—it will be reluctant to risk confrontations on its own. Costa Ricans put considerable stock in former President Carter's support for human rights and democratic principles. Nevertheless, many believe that President Reagan will be better able to strengthen Washington's international standing, a factor of overriding importance to Costa Ricans because of the extent to which they see their future tied to the United States.

[REDACTED]

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